



Department of Administration

## **FY2015 – FY2018 Strategic Plan**

*“Providing Business Solutions for Idaho  
State Government”*

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**C.L. “Butch” Otter, Governor**

Teresa Luna, Director

650 W. State Street  
P.O. Box 83720  
Boise, Idaho 83720-0003  
(208) 332-1824

**[adm.idaho.gov](http://adm.idaho.gov)**

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## Table of Contents

Introduction.....	3
External Influences.....	4
Update on the FY2014 – FY2017 Plan Goals .....	6
Department Wide Strategic Planning FY2015 – FY2018.....	9
✓ The Planning Process	
✓ Mission	
✓ Vision	
✓ Guiding Principles	
✓ Goals & Objectives	

## INTRODUCTION

The core functions of the Department of Administration are outlined by Idaho Code Title 67, Chapter 57. The Department of Administration is committed to providing leadership, expertise and value added services within the following management functions:

- Group Insurance/Employee Benefits Programs
- Administrative Rules
- Human Resources
- Financial Services
- Risk Management, Liability and Property Insurance
- Purchasing/Contract Administration
- Federal Surplus Program
- Postal Services
- Quick Copy Services
- Design/Construction Management
- Facilities Services
- Statewide Leasing
- Office of the Chief Information Officer (OCIO)
- Industrial Special Indemnity Fund (ISIF)

Additionally, the Department of Administration provides information and support to the:

- Governor's Housing Committee
- Idaho Capitol Commission
- Permanent Building Fund Advisory Council (PBFAC)
- Group Insurance Advisory Committee (GIAC)
- IEN Program Resource Advisory Council (IPRAC)
- Idaho Technology Authority (ITA)
- Risk Management Advisory Committee (RMAC)

## **EXTERNAL INFLUENCES**

A number of external factors influence Department of Administration operations. Federal and state legislation particularly with regard to health care, changes in technology and budget constraints have all played a factor in the completion of the previously established goals.

### **Federal and State Law Changes**

Changes mandated in the Patient Protection and Affordable Care Act (PPACA) will impact the cost and design of the medical insurance plans available to state employees now and in the future.

### **Economic Issues**

As the economy improves, construction prices are rising. This will likely have a negative impact on projects bidding this year that were budgeted essentially two years ago when construction prices were very low.

The improvement in the real estate market and the increase in construction costs have placed an upward pressure on lease rates. Additionally, less acceptable product is available for lease as speculative projects built in 2007 are being absorbed by companies expanding their base of operations. The State's ability to maintain current rent levels or reduce costs for agencies may not continue. As an offset, there is a greater acceptance of space-saving measures, such as open offices, shared offices and flexible work schedules, which might eventually decrease the amount of square feet leased – or keep the amount from increasing drastically.

### **Personnel Changes**

The continued aging workforce, the upturn in the economy, the ability of the private sector to offer higher wages is resulting in an inability to fill vacant positions within the Department. This has, and will continue to result in loss of knowledgeable and skilled employees and the loss of tremendous institutional knowledge. As the economy continues to improve, the Department is faced with the potential loss of key employees, particularly those employees in information technology and construction related fields. To compound this problem, as of June 2014, approximately 46% of the Department's employees were eligible to retire either by meeting the Rule of 90 or by reaching early or regular retirement age. Additionally, another 17% of the Department's employees will be eligible for Rule of 90, early retirement or regular retirement within the next five years.

### **Idaho Technology Authority**

The Idaho Technology Authority (ITA) is set forth in I.C. 67-5745A-C. The composition of the ITA ensures that those affected by policy decisions have a role and say in policy direction. The ITA will continue past efforts of the IT Resource Management Council (ITRMC) to improve efficiency and effectiveness in State IT operations.

## **EXTERNAL INFLUENCES CONT...**

### **PBFAC Membership Changes**

In December 2012, the Permanent Building Fund Advisory Council (PBFAC) lost two of its five members. This turnover had the effect of removing about fifteen years of PBFAC experience from the Council. In December 2014, the Council will lose Representative E. Anderson as a Council Member and will need to have a new member appointed. It's certainly not an obstacle, but rather an intangible external influence on the Permanent Building Fund.

### **Risk Management Advisory Committee**

The Risk Management Advisory Committee (RMAC) includes members of the legislature, higher education, small/medium sized agencies and the Idaho Transportation Department. The RMAC meets semi-annually to discuss coverages provided under the state's Risk Management Program and provide consultation to the Director of the Department of Administration. The authority and responsibilities for the RMAC can be found in I.C. 67-5773.

### **Group Insurance Advisory Committee**

The Group Insurance Advisory Committee (GIAC) has been essential in the review of the benefits currently offered through by the Office of Group Insurance. The GIAC also provides consultation to the Director of the Department of Administration on possible enhancements to the current benefit package or additional benefit offerings that could improve access to healthcare for state employees. The authority and responsibilities for the GIAC can be found in I.C. 67-5761.

### **Strengthening Contract Management in Idaho**

In FY2013, the Office of Performance Evaluations (OPE) authored and presented a report to the Joint Legislative Oversight Committee regarding improvements in state contract management focused on agency contract monitoring and training. The report was brought forward to the Legislature by the House State Affairs Committee, passing House Concurrent Resolution No. 18.

At the direction of the Legislature, the Division of Purchasing developed a plan to improve contract management and reported back on the plan January 31, 2014. The plan includes improvement recommendations for the contract lifecycle (development, management, reporting), best practices checklists for contract managers, and training programs for contract and program managers. The next step of the process will include changes to the Idaho Administrative Procedures Act (IDAPA) that will be considered by the Legislature in January 2015.

## UPDATE ON THE FY2014 STRATEGIC PLAN GOALS

### Department-Wide Progress

During FY2014, the Department continued its efforts to address the dominate themes of the 2012 Employee Satisfaction Survey: Communication, Training and Compensation. The Department made a concerted effort to continue the utilization of the Department's intranet website, sending communication frequently from the Director to share important information, and hosting department-wide meetings in Boise. The training section of the Department's intranet web site has been expanded, thus providing more awareness of available online or low cost training on a variety of topics and specialties. The Department has also updated many of its public facing websites and online resources for the Risk Management Program, Division of Purchasing and Industrial Special Indemnity Fund (ISIF).

To address employee compensation, at the direction of the Legislature the Department was able to implement permanent merit increases and the 1% Change in Employee Compensation (CEC) increase in FY2014. The Department is also in the process of gathering comparative data on construction and technology related salaries in order to determine what actions, if any, we can take to retain the talented individuals in these key positions.

### Office of the Chief Information Officer (OCIO)

With the new Idaho Technology Authority (ITA) up and running, the OCIO has focused on new and updated policies, especially those related to cybersecurity. The major governance change giving agencies a voice in setting technology policy has resulted in new energy and will, no doubt, result in increased collaboration and efficiency in technology operations. While the IT strategy is delegated to IT leaders, some ITA members have expressed a welcome interest in direct participation. Direct ITA participation in the annual IT Strategic Planning process will bring important agency-business perspective to the effort.

Virtual services accessed through high-availability networks (aka cloud services) will be a key topic for strategic planning as agencies wrestle with incorporating cloud capability into their existing technical architecture. OCIO is currently investigating Microsoft's Office 365 cloud based offering, with a likely pilot project within the Department of Administration by the end of July. Lessons learned through the OCIO pilot project will influence the direction taken by the enterprise.

In anticipation of requirements for increased network reliability, OCIO is completing a major overhaul of the network and security architecture. Largely complete, the renovation will prepare the state for advanced services, such as cloud offerings, and ensure reliable delivery of service to Idaho citizens.

Direction from the legislature to put IT billing procedures into rules for the 2015 legislative session is a major focus for OCIO. The legislative direction has spawned a thorough review of all billing processes. OCIO anticipates only minor changes to modernize and refine the policies and procedures and that the negotiated rulemaking process will further refine them.

## Office of Group Insurance

The Office of Group Insurance (OGI) continues to research opportunities to use state resources efficiently while maintaining the valuable benefits enjoyed by State of Idaho employees. In FY2014, OGI provided outreach to agency human resources and payroll staff; they conducted 50 employee presentations, attended 10 benefit fairs and 15 training sessions. OGI is always looking for opportunities to assist the State's human resources and payroll partners whenever possible.

In October 2014, Governor Otter kicked off the State's new Health Promotions Program, [thriveidaho](#). The inaugural year of the program was a huge success with over 1,200 employees taking a step toward understanding their health. The mission of [thriveidaho](#) is to promote a healthy Idaho by engaging and empowering employees to take responsibility for their health. Thriveidaho will achieve this by fostering a healthy workplace and providing opportunities to identify and reduce health risks, encourage healthy choices and enhance quality of life. Future years of the program will offer employees the chance to earn monetary rewards for making engaging in healthy choices.

Also FY 2014, OGI also completed a Request for Proposal (RFP) for a Dependent Eligibility Verification vendor. The Dependent Eligibility Verification process will be completed in October 2014.

## Division of Public Works (DPW)

In FY 2014, the Division of Public Work (DPW) Design and Construction Group began the process of establishing an on-line bidding protocol. This tool will allow greater disbursement of bidding opportunities and will likely increase the participation of interested bidders. This process would eliminate the need for a contractor to physically attend or send documents to a location that may not be convenient for that bidder.

This past year, Statewide Leasing's strategy has been to target leases with a higher cost per square foot and negotiate decreases in the rent structure in return for a longer lease term. This has been successful – a seven-year renewal reduced one agency's rent by 23%. Additionally, a new program was developed to encourage agencies to document the condition of their leased space prior to occupancy so, at the time they vacate, they aren't charged for damaged items. This program also sought to quantify the concept of "normal wear and tear" within the lease agreement as this has been a somewhat nebulous term in the industry. DPW also devised a tracking program for agencies so they can ensure their landlords have appropriate insurance in place. Without this insurance, the state could have some risk exposure.

DPW has continued its efforts with buildings on the Capitol Mall Complex. The Capitol Annex is in the final phases of renovation and scheduled for tenant occupancy in the fall of 2015 (the Idaho Law Learning Center is the projected tenant). And the Capitol Mall parking rules have been modified to include the new parking garage and changes to the parking program.

## Division of Purchasing (DOP)

In FY 2014, State Purchasing increased its focus in the improvement of processes and tools available to all agency purchasing personnel. A new manual was produced called the Procurement Desk Manual that incorporates the state's purchasing process with on-line links to applicable state statutes and rules. Additionally, a new guide entitled Contract Administration and Management Guide was produced to aid users in understanding the process of contract management and related roles and responsibilities of the Division and agency personnel. Standard templates and forms have been improved to provide consistency and uniformity in the competitive bidding process and exception requests.

State Purchasing has continued to work with both the National Association of Purchasing Official (NASPO) and the WSCA-NASPO Cooperative Purchasing LLC by taking leadership board positions for both organizations. In this way, Idaho has a definite voice for the progress of national purchasing policy and leveraged competitive cooperative procurement. This continues to benefit the state in both the use of professional educational resources and lower costs.

The Central Postal and Quick Copy operations have continued to offer services combining hardcopy reproduction and mailing capabilities under one roof. The operations have continued to grow as capabilities have been increased. During FY2014, Central Postal met federal requirements to become "full service" capable. This enabled the operation to retain and grow discounts received from the USPS, benefiting the state. These operations will continue to focus on excellent customer service and product quality with equipment expansion when necessary to meet changing customer requirements.

Federal Surplus Property (FSP) continued to increase its sales of property and received national attention for its efforts. FSP has taken on a leadership board position with the National Association of State Agencies for Surplus Property. This enables the state to influence national policy for the federal surplus property operations and understand how Idaho can further take advantage of the program. The operation did receive additional appropriations during the last legislative session for both personnel and freight. With the additional FTE, the three person operation will be able to have its doors open five days per week. The operation will focus on acquisition of additional heavy equipment during coming years; generating greater value that is passed on to all state agency and political sub-entity customers throughout the state.



## DEPARTMENT WIDE STRATEGIC PLANNING FY2015 – FY2018

### ***THE PLANNING PROCESS***

The Department of Administration's Executive Staff commenced work on a strategic plan in May 2014. During the strategic planning process for FY2015, the Executive Team addressed continuing themes including: **Technology, Communication, and Implementing Operational Efficiencies.**

In previous years, the Department established global goals for the department wide strategic plan and then addressed more detailed objectives in division-specific strategic planning documents. This approach has been very useful as Admin is a diverse organization that offers services from leasing buildings, to negotiating the State's medical coverage, to implementing statewide contracts and more.

Divisions/programs will continue to review policies, and identify opportunities to modify or streamline processes. By changing or adapting current processes, each division/program will be able to provide more accurate and efficient services to employees and customers.

Success of the Department's strategic goals will be gauged by achieving the timelines established for each project implementation, understanding and participation by Department staff, and realizing any savings to the State.

### ***MISSION***

Provide responsive, cost effective, and timely support services to Idaho's policy makers, public agencies and state employees as they serve Idaho citizens.

### ***VISION***

Bring appropriate, innovative and efficient operating practices to Idaho government.

### ***GUIDING VALUES***

- **Customer Service**  
Serve our customers to the fullest extent possible and treat them with respect and professionalism.
- **Integrity and Honesty**  
Be honest, dependable, fair, credible and trustworthy. Acknowledge mistakes, seek to correct them and learn from them.
- **Innovation**  
Demonstrate initiative and flexibility in promoting and responding to challenges and changes.
- **Communication**  
Believe that open, positive, and honest communication is critical to our employees, our customers and the citizens of Idaho.

## **GOALS & OBJECTIVES**

### **1. Deliver excellent customer service with a focus on communication, responsiveness, timeliness, and providing quality and value in service and project delivery.**

#### Objectives:

1. Use the data gathered from the external survey to identify areas to improve communication, responsiveness and timeliness in the various divisions and programs.
2. Review all external communication efforts by each division/program, including webpages, newsletters, resource materials, etc., to evaluate effectiveness, consistency of messaging, target audience and timeliness of information.

#### Performance Measures:

1. In spring 2014, conduct annual external customer satisfaction surveys at the agency director level and at the customer level to gather data that will be utilized during the strategic planning process for FY2015.
2. Develop strategies for enhancing communication that meets department wide goals and customer needs.
3. Improve the availability of resources and documentation available online, and keep that information current and relevant.

### **2. Promote efficiency in statewide services.**

#### Objectives:

1. Evaluate the opportunities, desire and interest for further consolidated IT services to State agencies.
2. In spring 2015, conduct annual external customer satisfaction surveys at the agency director level and at the customer level to gather data that will be utilized during the strategic planning process for FY2016.

#### Performance Measures:

1. Engage the State's IT community and Idaho Technology Authority (ITA) to revise the annual IT Strategic Plan.
2. Improve the availability of resources and documentation available online, and keep that information current and relevant.

### **3. Support staff development and professional services to our internal and external customers.**

#### Objectives:

1. Identify and make available to staff, within existing funding, job-related training and professional development.
2. Develop and implement a method to track employee training/professional development using multiple factors including dollars spent, training type, and which employees receive training.
3. Identify potential or upcoming critical position vacancies due to retirement and develop plans to address the loss of institutional knowledge and skill.
4. Complete comprehensive, accurate and timely employee performance reviews jointly developed by the employee and his/her immediate supervisor.

#### Performance Measures:

1. Assess the amount of training provided to employees in terms of dollars spent, training type, and which employees receive training. Identify if available funds for training are being fairly distributed amongst those employees who need and/or want training.
2. By program and division, identify potential or upcoming critical position vacancies and develop an in-depth plan to replace the body of knowledge and skill held by the incumbent employee. Consider developing existing staff to assume the duties of vacant positions.
3. Evaluate management on the quality and timeliness of employee performance reviews.